

ORIGINAL

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 Travelers Casualty and Surety Company of America

**UNITED STATES DISTRICT COURT
 NORTHERN DISTRICT OF CALIFORNIA
 SAN FRANCISCO**

TRAVELERS CASUALTY AND SURETY
 COMPANY OF AMERICA, a Connecticut
 Corporation,

Plaintiff, Counter-Defendant,

vs.

DENNIS J. AMOROSO CONSTRUCTION
 CO., INC., a California corporation;
 AMOROSO INVESTMENTS, LLC, a
 California limited liability corporation;
 DENNIS J. AMOROSO, an individual; and
 GERDA AMOROSO, an individual,

Defendants, Counter-Claimants.

And Related Counterclaim.

CASE NO. C 03 – 5746 PJH

**STIPULATION AND [PROPOSED]
 JUDGMENT**

The parties to this action, plaintiff
 TRAVELERS CASUALTY AND SURETY
 COMPANY OF AMERICA ("Plaintiff") and
 defendants DENNIS J. AMOROSO
 CONSTRUCTION CO., INC., AMOROSO
 INVESTMENTS, LLC, DENNIS J.
 AMOROSO, and GERDA AMOROSO

(collectively, "Defendants"), hereby agree to the following STIPULATION AND PROPOSED JUDGMENT, with reference to the following facts:

A. On or about May 24, 2004, defendants DENNIS J. AMOROSO and GERDA AMOROSO (the "Personal Defendants") filed bankruptcy in the United States Bankruptcy Court for the Northern District of California, Santa Rosa Division, In re Dennis J. Amoroso and Gerde J. Amoroso, Case No. 04-11303 ("Personal Bankruptcy Case").

B. On or about September 21, 2004, defendants DENNIS J. AMOROSO CONSTRUCTION CO., INC. and AMOROSO INVESTMENTS, LLC (the "Corporate Defendants") filed bankruptcy in the United States Bankruptcy Court for the Northern District of California, Santa Rosa Division, In re Dennis J. Amoroso Construction Co., Inc., Case No. 04-12244, and In re Amoroso Investments, LLC, Case No. 04-12246, which cases were later consolidated (collectively, "Corporate Bankruptcy Case").

C. Plaintiff and Defendants have settled their disputes.

D. On or about May 17, 2005, Plaintiff and Defendants entered into a written Preliminary Term Sheet ("Term Sheet") incorporating the basic terms of their settlement.

E. On or about December 21, 2005, the Court issued an Order Confirming Chapter 11 Plan in the Personal Bankruptcy Case, confirming the Debtors' Second Amended Chapter 11 Plan filed September 21, 2005 in the Personal Bankruptcy Case ("Confirmed Plan"). The Confirmed Plan incorporated the terms of the Term Sheet.

F. Under the Term Sheet and the Confirmed Plan, Defendants, and each and all of them, agreed to stipulate to dismissal of all of their Counterclaims in the present, above-captioned action before the United States District Court.

G. Under the Term Sheet and Confirmed Plan, Defendants, and each of them, also agreed to stipulate to final Judgment validating Plaintiff's Writ of Attachment which was entered by this Court on February 13, 2004, pursuant to this Court's February 11, 2004 Right to Attach Order and Order for Issuance of Writ of Attachment.

H. The Term Sheet, the Confirmed Plan in the Personal Bankruptcy Case, and any and all

other orders issued by the United States Bankruptcy Court either in the Personal Bankruptcy Case or in the Corporate Bankruptcy Case, are approved by this Court and provide the sole means and mechanism by which Plaintiff is to be paid pursuant to the settlement between Plaintiff and Defendants and pursuant to the Judgment to be entered in favor of Plaintiff against Defendants in this action.

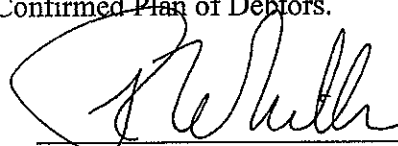
STIPULATION

WHEREFORE, NOW, Plaintiff and Defendants, and each of them jointly and severally, agree and stipulate, through their respective attorneys of record, as follows:

1. Defendants hereby agree that all of Defendants' Counterclaims against Plaintiff shall be dismissed with prejudice. This includes all remaining Counterclaims held by either and any or all of the Defendants, including Defendants' original Counterclaim filed March 19, 2004, and the Corporate Defendants' Amended Counterclaim filed June 16, 2004.

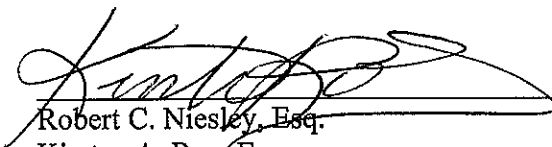
2. Defendants hereby acknowledge and agree to a final judgment validating TRAVELERS' Writ of Attachment issued by this Court on February 13, 2004 pursuant to this Court's Right to Attach Order and Order for Issuance of Writ of Attachment dated February 11, 2004, subject to and in accordance with the Term Sheet and Confirmed Plan of Debtors.

Dated: April 25, 2006



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Dated: May 1, 2006



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[PROPOSED] ORDER

WHEREFORE, NOW, IT IS
ORDERED, ADJUDGED AND DECREED
that:

1. All of Defendants' Counterclaims against Plaintiff are hereby dismissed with prejudice. This includes all remaining Counterclaims held by either and any or all of the Defendants, including Defendants' original Counterclaim filed March 19, 2004, and the Corporate Defendants' Amended Counterclaim filed June 16, 2004.

2. Judgment is hereby entered against each and all of the Defendants, DENNIS J. AMOROSO CONSTRUCTION CO., INC., AMOROSO INVESTMENTS, LLC, DENNIS J. AMOROSO, and GERDA AMOROSO, validating TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA's Writ of Attachment in Defendants' assets which was issued by this Court on February 13, 2004 pursuant to this Court's Right to Attach Order and Order for Issuance of Writ of Attachment dated February 11, 2004, subject to and in accordance with the Term Sheet and Confirmed Plan of Debtors.

3. The Term Sheet, the Confirmed Plan in the Personal Bankruptcy Case, and any and all other orders issued by the United States Bankruptcy Court either in the Personal Bankruptcy Case or in the Corporate Bankruptcy Case, are approved by this Court and provide the sole means and mechanism by which Plaintiff is to be paid pursuant to the settlement between Plaintiff and Defendants and pursuant to the Judgment to be entered in favor of Plaintiff against Defendants in this action.

IT IS SO ORDERED.

5/12/06

Dated:

